Managing Change and Strategic Thinking: Evidences from Hospitality and Tourism Sector of the UK

Sah, Sanjay Kumar and Nadda, Vipin

University of London, University of Sunderland in London

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Managing Change and Strategic Thinking: Evidences from Hospitality and Tourism Sector of the UK

Sanjay Kumar Sah
University of London
ss@makesworth.co.uk

Dr. Vipin Nadda
Faculty of Business
Department of Tourism & Hospitality
University of Sunderland in London, UK
vipin.nadda@sunderland.ac.uk

Abstract:

This qualitative paper examines the strategic thinking and managing change in complex business environment in the hospitality and tourism sector of the UK through the cases of Hilton London Canary Wharf and Hilton London Tower Bridge. For the purpose of analysis, researchers explored the research phenomenon under different models including TALC model and IBTEE Model. Using convenience sampling, researchers interviewed face-to-face 12 Line Managers and 30 employees through open-ended semi-structured interview questions regarding change management process and obstacles interlinked with it. Findings revealed that although Hilton hotels have adapted changes to some extent but there is still more room for further improvement. The management of the selected hotels highly relies on the training purpose for the effective change adaption whereas coaching and research is lagging behind. The biggest constraint during effective change adaption is the diverse background of the workforce as most are from the multicultural backgrounds. Moreover, the communication, ritual, and cultural barriers are causing issues in the change process. Lastly, the recommendations are given for consolidating effective change management at workplace.
Keywords: Change Management; Complex Business Environment; Hospitality and Tourism Sector; Strategic Thinking; Training;

Introduction:

Charles Darwin famous quote "It is not the strongest or the most intelligent who will survive but those who can best manage change" (Cited from Holbeche, 2015). Similar goes for the business that it is now time of 'survival of the fittest'. Changes are natural to humans, organisations, business, and everything (Faizan & Zehra, 2016). In order to be competitive in business, it is essential that changes are accepted and responded in a rational manner. Today businesses are operating in such a dynamic environment that there is a huge possibility of overnight changes in policies, people, procedures, prices, and products. Therefore, business must respond to changes in adequate, effective, efficient, and rational way (Haque & Yamoah, 2014). The dynamic environment drives the organisations to develop the strong ability of adaptability, as change is essential for the survival of the business.

One of the prime reasons for United Kingdom's hospitality and tourism sector being still alive is accepting the requirements generated in the dynamic environment and responding to those changes in effective and innovative manner (Economic and Research Council, 2012). In hospitality and tourism industry, the one common phenomenon that is steady and absolute reality is 'change' as the methods and approaches that are practiced frequently yesterday are no longer today, effective nor applicable (Mike, 2006). A survey of conducted by Surrey University's Professor Allan Williams and Exeter University's Professor Gareth Shaw revealed that 39% of innovation occurs at hospitality and tourism sector as United Kingdom, despite these findings, Professor Shaw strongly suggests that changes and innovations are two critical factors for recent success in hospitality and tourism business (ERSC, 2012). Thus, it increases the need of clearly identifying the aspects of future implication in the early stage of process of change.

The main motivation for constructing this paper is credited to the fact that recently changing trends and governmental policies have alter the operations of the hospitality and tourism sector of the UK to larger extent. Despite, recession of 2008, this industry has significantly contributed to the GDP of the UK but in recent times, there are drastic changes evident, especially the workforce of this sector mainly formed of international students, who have been leaving the UK
after changes in the immigration laws and policies. Therefore, it is essential to understand to investigate the change and its effectiveness in the hospitality sector of the UK. Moreover, the hotel sector is experiencing changes on regular basis. Hence, it is essential to examine it as the study offers holistic view through primary study.

**Literature Review:**

Kale (2005) strongly argues that adoption is the key behind successful change management. Since the perspective of change is to improve organisational and individual performances therefore in the early stages of change process, it is necessary for the organisation and change implementers to clearly state the outcomes and future expectations. Interestingly, the study of Haque et al., (2015) found that leadership has a significant role in motivating employees and managing change in the certain sector. However, the aforementioned study is only limited to IT sector and developing economies. Therefore, there is still no conclusive evidence from the developed economies’ hospitality and tourism sector.

**Changes and future prospect**

Changes are designed by keeping the future prospect in mind. Interestingly, By (2005) revealed that all those decisions fail to make a good impact that ignore the human touch and psychology of the individuals. The change agent must consider all human aspects for the proper and successful execution of plans (Kale, 2005). While implementing changes, resistance is an element that is natural and commonly resulting in blocking the desire results. In hospitality and tourism industry, labors are largely linked therefore on operational ground, psychological implication are produced (By, 2005). One of the obstacles that come while implementing change in hospitality and tourism sector is that it involves changes related to intangible transactions and it is very difficult to measure the impact of human on implemented changes (Kale, 2005).

Howley and Otteribacher (2005) firmly stated that hospitality sector by nature is associated with provision of services, therefore the changes are measured in terms of quality and standards demonstrated by employees of organisation. In other words, the successful implementation of change is determined through performances of employees of an organisation while delivering services. Interestingly, the study of Haque & Yamoah (2014) found that the organizational commitment of employees play vital role in determining the success of the service providing
businesses. Another important factor that drives the organisation to create strategies for future must be determined in the early stages of entire change process is 'uncertainty'. Sullivan (2004) quoted Chinese proverb to establish his point regarding uncertainty: "We do not always see things the way they are; we usually see things as we are". This indicates that the perception of others should be a first consideration than rather opting for only what we perceive. Usually employees become annoyed with the sudden changes and if there is no proper work done prior to introducing a change, uncertainty increases in employees which results in particular type of resistance or de-motivation.

Communication and training are essential for successful change process (Zehra, 2016). The future must be kept in mind while designing change process and the entire reason for training must be communicated in clear manner to all participants. Communication is a key to bring changes and alter the perceptions of employees. Considering the need of alternation, modification, adaption, and its role in determining the ultimate outcome of the change process, the significance of prime stages of change process increases further more. All those procedures that are started well, have more chances of bringing the desire outcomes.

**TALC Model**

The notion of tourism area life cycle (TALC) involves that places as destinations, like products, pursue a comparatively regular progression of expansion and a identifiable cycle of progression (Butler, 2004; Uysal, Woo, & Singal, 2012). The model in its conceptual form exemplifies the postulate that sooner or later an entrance is reached after which a tourist destination is perceived to reduce in appeal and attractiveness. Furthermore, the concept of a tourism area life cycle suggests that as a destination area grows, transformations occur in the physical setting and the socio-cultural atmosphere that result in alterations in the outlooks of the multitude community. TALC was developed based on the impression of the product life cycle (PLC). The product life cycle (PLC) framework has been used in the business sector to model the scale curve for a product over time (Levitt 1965; Uysal et al., 2012). In most cases, the product life cycle defines the development of a product as it goes through the stages of introduction, growth, maturity, and decline, with the growth of product sales following an S-shaped pattern (Uysal et al., 2012). In the introductory stage, sales growth is sluggish due to the lack of product awareness and higher prices because of the low scale creation resulting in preliminary losses. In the second
stage (growth stage), sales increase quickly as the product attains recognition and wide approval while prices fall due to large-scale production, resulting into profits. In the maturity stage, sales slowly go to low tempo thus potential profit gets limited. Lastly, in the decline stage, the product becomes obsolete, experiencing drastic significant drop in sales, and is accompanied by negative profits.

Based on the product life cycle (PLC) framework, in view of the fact that the early 1960s, tourism scholars viewed that tourism destinations grow and transformed through a life cycle process (Martin and Uysal 1990; Uysal et al., 2012). Moreover, Christaller (1963) first observed that tourism locations pursue a moderately persistent evolution process. This is the for the most part unsophisticated approach from discovery to growth to decline (cited from Uysal et al., 2012). Development results in the destination being recognized as trendy and attracts commercialization. As the fame of the destination expands, more working-class people are attracted, and advertising and travel agencies promote the destination. However, the original tourists leave the destination to find new one and the cycle repeats itself (Uysal et al., 2012). In this while, the business experience mix as they get workforce easily but profit might not stay for long due to changes. Hence, there is need for adaption of strategic thinking and adaptive change.

**Improving Business through Employee Efficiency (IBTEE) Model**

According to Ap (1990), there are four stages in the Improving Business Through Employee Efficiency (IBTEE) model namely; 1) Communicating needs for change, 2) Facilitating participants through expert's services, 3) Grooming employees through practical implications, and lastly 4) Continuously evaluate and monitor respectively (Ap, 1990; Raulia, 2013). Interestingly, this model is effective in determining the performance of the businesses in the constantly changing business environment. Additionally, the model helps in assessing and evaluating the stance of the Organization when experiencing changes in the hospitality sector (Raulia, 2013). Nevertheless, there are still no conclusive evidences regarding the IBTEE model successful adaption has led to the improvement of hotel businesses in the developed economies. Interestingly, in the first stage, it is essential for the organization or destination to communicate changes to the employees so that they are prepared for the upcoming change (Bell & Ward, 2000). Moreover, communication is essential for increasing the chances of implementing changes at workplace (Zehra, 2016). In the next stage, hiring and providing expert's services to
help the workers in adjusting with the changes (Ap, 1990). Mentor and Coaches are experts for ensuring the smooth transformation of operations and changes at workplace (Adomako, 2012). Moreover, these experts have the ability to enhance and improve the knowledge, skills, and abilities of the workers to large extent (Roosler, 2007). Third stage is known as grooming employees through practical implementation. In this stage, employees are given the opportunity of enhancing their knowledge, developing their abilities, and polishing their skills further through training and practical exposure at workplace (Adomako, 2012). However, Faizan & Zehra (2016) argued that training is not the only effective way to give employees practical exposure, as research and consulting are also equally important for the practical implications of change. Lastly, continuously monitoring is a final stage, in which organization has to monitor and evaluate the performance of employees in order to ensure the effective change is successfully implemented (Ap, 1990; Raulia, 2013). Nevertheless, there are no conclusive evidences regarding the adaption of this model for evaluating strategic thinking and effective change in the hospitality sector.

Various previous empirical researches have revealed that time is a crucial factor for tourism and hospitality management. Changes with time has been evident as integral part (Bell and Ward 2000; Hall, 2005a; Bell and Brown, 2006). For further investigating the notion mentioned above, researchers consider the adaptive cycle model for tourism and hospitality. In this model, the clear emphasis is on time with two distinct dimensions, physical and social dimension respectively. The cause-effect relationship occurring is because of physical time and change. With the passage of time, changes emerge as need and essential requirement in the hospitality and tourism sector. Time also has a role to develop the environmental system in which hotel business is operating. The research work of Hall (2008) also revealed that changes in the thinking and temperament of the top management of hotel business are due to the physical time (specific geological and demographic aspects. The other dimension is social time, which is mainly resulted of globalization. The time-space destination is one of the crucial elements that drive the hotel business to introduce and adapt changes (Maines, 1987). Thus, it can be said that change is a permanent as changes do occur all the time. In other words, the constant phenomenon on earth is a 'change' itself. Based on the literature at hand, researchers have considered Hilton Hotels for measuring the effectiveness of change adaption through TALC Model. At present, researchers do not have conclusive evidence if the changes are positive or negative.
Positive and negative effects of Change

Before developing the approach for Hilton Hotels to initiate and adapt changes through TALC Model, it is essential to identify some of the positive and negative aspects of change.

Changes help individuals in shaping their personality and developing the skills that help them in becoming ones that are more competitive. At the same time, changes help organisation to develop a strategic plans. The changes urges organisation to continuously evaluate and monitor the performances of its employees as well operations (Muller et al, 1970). It also urges organisation to develop approaches that keep them always competitive in the operating market. The opportunity for individual's growth increases due to change (Anderson, 2012). On the other hand, competitive advantage for organisation increases because its workforce becomes more productive, skill oriented, and adaptive in nature. Change increases the confidence of employees because they respond to changes in constructive manner (Anderson, 2012). A proper training given to employee in change process boast personal moral (Haque & Yamoah, 2014; Zehra, 2016). They develop the ability to compete in market and do not fear the future uncertainty. Change also drives the organisation to be more dynamic in its approach (Anderson, 2012). The corporate culture of organisation keep on changing which remove the fear factor from employees mind as employees that the structural changes will also occur in future and there will be opportunity to more vertically in organisation (Anderson, 2012).

In the early stage of change process, the biggest factor is the learning ability of individuals, since the learning abilities differs therefore changes are not always welcome by everyone. Too much frequent changes increase anxiety and frustration in workforce as frequent changes means changes in the working pattern (Bell and Brown, 2006). Researchers also notice that technological advancement has some negative impact on the personal capabilities of individuals as there is now too much dependency of human upon technology (Mike, 2006). There are high chances that new strategy implementation can cause uncomfortable feelings in workforce and employees are reluctant to change, this change resistance can result in employee turnover, stress, and even negative attitude towards work (Kelchner, 2011).
Clashes of personalities and lack of knowledge develop resistance in employees towards change (Zehra, 2016). For change management, full support is required, if there is lack of support on employee's part than the change will not be effective one. Therefore, all employees should be available in the change process (Kelchner, 2011). There is another negative aspect that change increases the expense for the organisation because change is followed by training sessions and every professional training means that organisation is expanding its budget line (Kelchner, 2011). If employees are not properly trained and/or the change process does not transform individual in the desire manner then the expense increases furthermore. There are high chances that the individual morale may decline if organisation fails to handle the change in effective ways. The moral of employee will reduce which means that the productivity also decline, ultimately resulting in decline in profit (Kelchner, 2011). The technical side is responsible to formulate and execute the actual change. Technical side has to engage with change management and integrate project plan (Prosci, 2013). A coach is an example of middle manager who advocates and train workforce (ibid). On the other hand, it is also essential that the change should be made visible through projects. The leaders and managers should work in close coordination to implement changes. Moreover, senior managers should directly communicate with participants (Prosci, 2013). In addition to that, the actual knowledge is transformed through sharing experiences and expertise on past changes and how it will be linked with the present change (Prosci, 2013). Interestingly, Althagafi & Ali (2017) argued that organizations adopts different strategies to succeed in a diverse cultural environment (Cited from Nadda, Dadwal, & Rahimi, 2017).

**Research Methodology:**

In this research, researchers have opted for interpretivism philosophy; as the ontological stance is realism and epistemological stance remain subjective due to the nature of this study. The cross-sectional research design is more suitable because it is exploratory study carried out within the less than one-year timeframe. The sample size of present study is 42 respondents (12 line managers and remaining 30 lower staff). Since, two distinctive cases were selected therefore researchers used purposive and quota sampling technique in the selection pattern by splitting equally the number of Line Managers and employees. In other words, researcher considered six each Line Managers and 15 each employees from Hilton London Canary Wharf and Hilton
London Tower Bridge. Researchers used open-ended interview questions to attain their perspective in the light of implementation of research models. These face-to-face interviews were conducted between three months (July 2017-to- September 2017) of the study, excluding pilot testing. Researchers wanted to attain the qualitative perspective of both management and its workforce therefore used one specific instrument to explore the variations in more depth. The participants were selected through convenience sampling, as the convenience of the respondent was important element considered in this study. Moreover, researchers used Haque & Aston (2016) funnel approach, which is significant in filtering the responses in drawing proportional analysis in the social science researches. Researchers used construct validity and demographic information for the purpose of reliability and credibility. On average, interviews were between 5-8 minutes. Additionally, the participants were informed about the purpose of research and they were full assured that their views, opinions, and shared information will remain confidential. No personal information will be disclosed to general public on any platform.

**Results and Discussions:**

The demographic information revealed, in terms of gender, there is almost equal split but fractionally males are higher than the females (51.8% against 49.2%). Majority of the respondents are undergraduate (59%), within the age bracket of 25-to-33 (67%), and on average 1-3 years experience (46%).

For the present investigation, two Hilton London hotels are undertaken to explain the issues related to change in pre-season period. According to the responses of Line manager, majority confirmed that Hilton hotels have successfully adopted to changes after 2008 recession (67% against 11%). In hotel business positive brand image, high revenue, and customers' (both internal and external customers) loyalty has increased due to organisation's ability to adapt changes and manages it in effective way (ERSC, 2012). Since hotel business is related to tourism very closely therefore this model is considered to evaluate issues and obstacle related to change, Thus eco system containing economic indicators, tourist behavior, visiting trends, and biological indicators explains either the cross sectional or longitudinal depth in all tourism related models (Johnson and Snepenger, 1993). Results showed that Hilton workforce is highly diversified due to people belonging to multi-cultural background, accounting higher number of employees are not Londoners (81% against 6%). The problem Hilton face due to this model is that most of its
employees come from different multicultural background and learning capacity differs to large extent.

Additionally, majority of the Line Managers confirmed that employees have higher reluctance in process of change due to cultural, ritual, and communication barriers (58% against 31%). Similarly, employees also confirmed it (61%). Thus, this study support the notion of Ap (1990) that the level of anxiety develops more as the cultural, rituals, and communication barriers incurred in the process of change. Moreover, majority of the line managers confirmed that Hilton is working on the psychological aspects of employees to ensure the adapt to changes in adequate manner (57% against 22%). Thus, present findings support the work of Ap (1990) that Hilton had worked on the psychological aspects to change the behavior of its employees in order to adapt the changes. The problems identified with the change management in Hilton hotels at training employees are caused by less motivation of employees to learn and develop the required skills as majority of the employees confirmed hierarchy as a problem for growth and change (77% against 19%). Moreover, communication barriers due to strong hierarchy present at Hilton hotels work in one dimension 'top-to-bottom order', and changes are occurring with rapid speed in which employees have no say but only orders to follow, this was confirmed by both Line Managers and employees (58% and 71%). Interestingly, findings revealed that though the management of organisation has develop different strategies to ensure these issues are tackled such as starting stress management program at premises but the effectiveness is still lower. This study opposes work of Haque & Aston (2016) that stress management is effective program to large extent in the service sectors.
Figure 1: Approach model IBTEE for Hilton to manage change process effectively.

The discussions explored the IBTEE Model in measuring and assessing the effectiveness of the change at Hilton Hotels. It is evident, in the first step of change process Hilton Hotels often arrange a session with the participants for communicating the actual reasons behind change as majority of the respondents agreed to it (61%). However, participants stated that they are still confused about the individual and collective benefits from the adaption of implementing change process (52% against 26%). Hence, Hilton needs to ensure that employees are motivated properly. For this purpose, Hilton hotels should first prepare individuals that have to be involved in change process. Communicate to them the reasons for introducing the required change and should arrange a session where employees should be able to communicate their own perspective and ask questions that is going on it their minds (scibd.com, 2011).

While communicate the change, all-important questions like why change is required? How the change process will work? What should be the role of change agent and participants? When the change process will be executed and/or completed? Should be addressed in a comprehensively. Currently, the large number of respondent showed that there is no proper communication-taking place for the effective implementation of successful change (57%). Hence, presently, in the first
stage of aforementioned model, Hilton has been not very largely successful. Moving forward, participants were asked about the introduction of a coach or mentor in the due process of change.

Researchers noticed that employees are trend through online training and in order to adapt these changes in a positive manner, employees are educated through online educational program (Hilton Worldwide, 2012). Majority of the participants confirmed online training but there is no training and development through qualified coaches or expert mentors (67%). Hence, there is lack of right person who can communicate the change process clearly and help individuals in adapting changes. The coach or mentor should be always present at the entire process of change and assist individuals in the successful implementation of the entire process. Under the supervision of experts, the chance of successful transformation taking place increase. In the same stage, expert should work on altering the psyche of employees through motivating them towards the ultimate goal. As researchers noticed that lack of motivation has been observed in employees, therefore the role of coach or mentor increases. He needs to motivate employees on regular basis (Adomako, 2012). This way the motivation level will remain checked at the process of implementation. The reason for suggesting a mentor or coach is that it also works as ventilation therapy for employees (Haque & Yamaoh, 2014; Haque & Aston, 2016). They can communicate their ideas and share the problems that are hindering them from demonstrating their best. Moreover, the respondents were asked about grooming through practical implications at workplace.

It is evident that majority of the Line Managers (89%) and employees (63%) agreed that they are often asked to perform tasks, which they have learn in the earlier training sessions. Hence, it reflects that employees are groomed to certain extent in an adequate manner. Moreover, their ability to work in actual settings enhances significantly due to practical exposure (59% against 36%). Hence, the present findings support the notion of Roosler (2007) that the true change process will only be completed successfully when participants of change are able to practically all those tasks that they were unable to do before. In the current study, researchers found that most workers have learnt to execute their tasks properly, which they were earlier failing to do so.

Majority of the participants confirmed that they prefer to be continuously evaluated at different stages of their task execution process (55%). Line Managers explained that they give certain specific tasks to workers and a team is formed to ensure that the performances are evaluated in a
critical manner. However, Line Managers largely confirmed that the approach of management is more cynical rather than skeptical. Moreover, the performance check is essential to ensure that change process has successful implementation and results are as per organisation's desire. This will assist organisation in maintaining competitive edge and designing future strategies for further changes generated by dynamic environment. The future planning will improve constantly through proper evaluation (IMI Training, 2011).

Through funnel approach, researchers found that there is fractional difference between the results from two distinctive case studies. However, Hilton London Canary Wharf has showed higher employees' related reluctance for the adaption of changes in contrast to Hilton London Tower Bridge (59.1% against 58.6%). The evidence from Line Managers of Tower Bridge branch confirmed that training is more visible in contrast to Canary Wharf branch (63% against 51%). Similarly, the employees' efficiency is evident to be higher at Tower Bridge in comparison to Canary Wharf (62% against 53%). However, the employees from both branches have also shown fractional differences related to effective adaption of Change but Tower Bridge scored higher than the Canary Wharf (48.5% against 47.7%). Nevertheless, overall findings confirmed that ITBEE model is most effective in the successful adaption of change in the Hilton hotels.

Additionally, researchers investigated the actual process of Change Management at Hilton Hotels. Thus, researchers looked at the role of Change Agent. A change agent or a change manager is a person who is involve in the process of change management. Consulting, research, and training are three key roles of a change agent (Carnall, 2008; Dawson, 2010; Stephen, 2010; Tidd, 2010). At present study Hilton's change agent is involve in all three roles namely consulting, training, and research respectively. Results showed that, majority of the Line Managers (71%) and employees (68%) considered training as the most effective change agent at the Hilton Hotels while consulting and training is relatively poor at present.

**Conclusion and Recommendations:**

From the findings it is concluded that Hilton has implemented changes to certain extent however the effectiveness of these changes are only in the short-term. The higher focus of the Hilton Hotels have been on the online training whereas coaching and research work is less evident. The continuous evaluation program at the hotels' premises is most effective one because workers also
value it. Additionally, this study confirmed that the employees have shown some reluctance to the adaption of change process. This is largely due to communication barriers and higher diversity. The effective change management could only take place due to creating awareness about the essentiality of change management. The personal desire of a participant is vital for support functioning of change management. The proper body of knowledge must be transformed through process. The abilities and skills required for employee's role in change management is very important. The management must ensure that process is reinforcing in a manner that change management is effectively sustained. The role of change manager at change management to receives, allocates, and logs to change impracticalities and setting priorities. At Hilton, the role of change agent is relatively lower but has shown improvement in the recent times.

Based on the findings, it is recommended that it is essential that structured change management procedures are applied at Hilton Hotels. The strategy should be formulated by keeping the rational clear about how significant the change will be and its influence on targeted audience. Planning is also important as it serve a roadmap to communicate and guide people. Coach play significant role in creating an environment of supporting other doers (Prosci, 2013). At Hilton, the change team should work in close coordination and should remain present at the entire process of change management. The values of change that will emerge should be communicated clearly. The coach need to support the performers and provide them a proper feedback to further improve on their capabilities. The coach at Hilton should be responsible to communicate the necessary information regarding building changes, and ensuring that the proper coordination between different functions and departments.

At Hilton, coach should review all the implemented changes with the senior managers in order to make sure that the prime objective of change process has been attained. Even coach should sit with the senior management to find the reasons of failure of the procedures and how to rectify it. Middle manager play vital role by communicating the entire process. He also assists management in reducing employee resistance. In case of Hilton, coach need to coordinate with the middle manager during the training sessions. The problems of employees should be communicated with the mutual cooperation and consultation. A coach and HR manager should design the entire training sessions with mutual consent.
Hilton should develop a committee for steering change. A coach must be able to explain and brief the participant about the role they have to perform in the change process. Hilton should also ensure that changes are designed by keeping the psychological and human approach in mind as the project team will be able to demonstrate better results with the inclusion of these aspects. Furthermore, management should develop a support functions that constantly assist and facilitate the project team, players and coach at each step of change process. It will further improve and educate to participants that change is effective.

Reference:


